

**EXHIBIT III**

**From:** Anthony Hope <ahope@bys-hfc.com>

**Sent:** Tuesday, January 30, 2024 11:00 AM

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**Subject:** Capital Funding Request List

You don't often get email from [ahope@bys-hfc.com](mailto:ahope@bys-hfc.com). [Learn why this is important](#)

David, Billy, Marikay, and Dannelle,

Wanted to reach out with the information request for Capital Funding.

Can we get a breakdown of the billing software used for each facility? Did the cyber-attack you experienced in Oct23 impact any of the facilities in the Capital Funding group of homes? If any of the facilities use PCC or NCS it would be very helpful if we were given read only access so we could run requests 2, 3, and 4 below, ourselves. We will need these items by 5:00 pm CST tomorrow (01/31/24).

Below is a list of items we'll need:

1. Please provide a list of any open litigation for each facility.
2. AR Agings for the 9 facilities run by service date for 12/31/22, 3/31/23, 6/30/23, 9/30/23 and the most recent month-end available. Please provide by Plan Code/Payor and, if possible, please provide A/R aging buckets up to 240 days.
3. Year to Date Monthly AR Rollforwards for the 9 facilities by Plan Code/Payor detailing the monthly A/R activity. Typically includes beginning A/R balance, billings, collections, write-offs/adjustments and ending A/R balance.
4. Census Reports by Plan Code/Payor for each for each facility for the 9 facilities for the T12M.
5. Year to Date Monthly Financial Statements by facility (including GL Trial Balance)
6. The most recent Monthly Occupied Bed Tax reconciliation.
7. Please provide a 13-week cash flow from each facility
8. Please disclose whether payroll taxes are paid current or if delinquencies exist.
9. Provide all quarterly Federal and State payroll tax reports filed for the first 3 quarters of 2023 along with payroll summaries for all pay periods since the end of the 3rd quarter. Additionally please provide proof of payment of all payroll tax payments for the entire year. (Typically bank statements)
10. Quarterly month-end A/P Agings for the 9 facilities for Mar23, Jun23, Sep23 and the most recent month end. Please provide by facility by vendor.
11. Please provide details on material vendor changes. (ie- extended credit terms, COD, threat of denial of service, threat of litigation or liens)
12. A detailed description of how billing is being done for each major payor group for the 9 facilities including who does the billing, the frequency, where it is billed from, the systems utilized, etc. (This may be easier to have a conversation)
13. A detailed description of where cash is received for all major payors for the 9 facilities. (This may be easier to have a conversation)
14. A detailed explanation on how cash is posted for the 9 facilities. (This may be easier to have a conversation)

15. A listing of all the bank accounts for the 9 facilities and any corporate accounts that send or receive funds from the 9 facilities.
16. Please provide details on how the funds move between all of the accounts on the bank account listing. (This may be easier to have a conversation)
17. Are Borrowers segregating funds for each facility to comply with HUD's prohibition on comingling of funds?
18. If not already provided, please provide monthly bank statements for all of the above accounts for all of 2023.
19. Please disclose whether any licenses subject to correctional actions or in a provisional status.
20. Please disclose whether there are any open State or Federal investigations or notices of impending investigations.
21. Please provide proof on liability insurance for each facility

We will be setting up a data room so that information can be uploaded. Please provide the names and e-mail addresses of anyone that you would like to have access to the data room. If you have any questions please feel free to reach out to me. Thank you.



***Anthony Hope***

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